

MEMORANDUM FOR: NIOs/EA, LA, & Morning

The attached memo is forwarded for your information. I find this one particularly interesting and invite you to discuss it with Harry Cochran and your colleagues in the DI.

Fred Hutchinson  
VC/NIC

Attachment

cc:

Date 14 Dec 1982

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i/c/n/c

8 December 1982

MEMORANDUM FOR: Chairman, NIC  
Vice Chairman, NIC

SUBJECT : Potential Flashpoints in the Tonkin Gulf and Argentina

1. This is to call your attention to two "sleepers" that could produce flashpoints in the next few weeks.

2. The Vietnamese claim on 12 November to all Tonkin Gulf waters west of the 108th meridian as internal waters represents a direct challenge to China's rival claims in this area. This action almost certainly was motivated by Hanoi's growing concern that Soviet eagerness to demonstrate progress toward an accommodation with China as a means of manipulating the Sino-Soviet-US triangle against the Reagan Administration might lead Moscow to disregard Vietnam's vital interests. Hanoi could have had no illusions about Chinese reactions to a 48,000 square nautical mile expansion of its internal waters--100 nautical miles in the Gulf and 72 nautical miles off Vietnam's southeastern coast, an area in which Hanoi has asserted control over boat refugees and international shipping. Skirmishes between Vietnamese patrol boats and Chinese fishermen occurred both before and after 12 November, and Chinese boats routinely fish 60 nautical miles from the Vietnamese coastline.

3. The Chinese responded on 30 November by instructing their fishermen not to operate west of the 108th meridian until naval forces could be deployed to protect them. In early December, three Chinese frigates appeared in the northern half of the Gulf. The stage is now set for naval and air clashes between Vietnamese and Chinese forces. It would be surprising if a confrontation in the Gulf is not followed by an intensification of incidents along the land border. As recently as 13 October, the Chinese Foreign Ministry formally protested "armed provocations" by Vietnamese forces and intrusions into China's border areas during the National Day celebrations of the two countries. The Chinese charged that despite Hanoi's declaration on 25 August that it would "effect a unilateral ceasefire" between 27 August and 7 October, the Vietnamese carried out 109 armed provocations against China's border areas and sent military aircraft to violate China's airspace during this period.

4. Hanoi's concern that the Soviets might make concessions to the Chinese at Vietnam's expense was heightened by Brezhnev's Baku speech on 26 September in which he said it would be "very important to achieve a normalization, a gradual improvement of relations" with China, and by his banquet speech for State Council Chairman Truong Chinh on 5 October in which he called on Vietnam to join the Soviet Union in seeking an "evolution" in relations with China "without prejudices, and on the basis of real and genuine reciprocity." The Vietnamese presumably are aware of China's proposal in the Sino-Soviet talks in October for a five-phase plan for the withdrawal of Vietnamese troops from Kampuchea.

5. The fact that Hanoi's 12 November extension of its claim to all waters west of the 108th meridian as internal waters rather than coastal waters was issued only a few weeks after the Chinese proposal was made strongly suggests that the Vietnamese are intent upon either compelling the Soviets to renounce concessions to China on Kampuchea or any other issue of interest to Hanoi, or precipitating an armed confrontation with China in the Gulf that would force the Soviets to suspend the Sino-Soviet

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dialogue.

6. The Vietnamese almost certainly suspect that the Chinese intend to exploit any improvement in relations with the Soviet Union to increase their leverage against Hanoi on unresolved territorial disputes. Hanoi therefore has attempted to preempt the Chinese by asserting control over Chinese-claimed waters, islands, and oil deposits in the Gulf. The Chinese are bound to respond forcefully to these "provocations," and the Soviets are likely to find themselves caught in a very awkward crossfire between their clients in Hanoi and their new friends in Beijing.


### Argentina

7. The general strike in all major cities on 6 December called by three labor federations marks a potentially explosive turning point in Argentina's post-Falklands politics. It has shattered an unnatural calm that settled over the nation after the Falklands humiliation. On 14 June, the day before Argentine forces surrendered, Raul Alfonsin, leader of the moderate Radical Civic Union, called for the resignation of the junta on the ground that the military had lost its right to govern. The Army managed to contain public outrage by appointing retired Major General Reynaldo Bignone to replace President Galtieri on 22 June and by pledging that the Army would lead a "short-term transition government" aimed at restoring civilian political rule "by the early months of 1984."

8. The general strike and a series of major protests scheduled for later this month signal that the Argentine public has lost confidence in the Army's pledges and is determined to speed its withdrawal from power. Labor and political leaders have been forced by an increasingly restless public to call protest demonstrations in order to protect their credibility. The ominous change in the public mood has been manifested in recent disturbances in Buenos Aires suburbs and at events like soccer matches. Opposition leaders are concerned that they are losing control over growing anti-military sentiment. In a radio broadcast on 6 December, labor leader Saul Ulbaldini said, "We are not doing anything more than communicating the disquiet" of the rank and file to the government.

9. The general strike and the coming mass protests will confront the military government with a choice between accommodating public demands by accelerating the restoration of civilian rule or attempting to intimidate political and labor leaders by resorting to suppressive measures. In this highly volatile atmosphere, a misstep by the government could trigger serious outbreaks of violence. The crucial decisions will be made by Army Commander Nicolaides. If further strikes and demonstrations seem to be getting out of control, Nicolaides may decide to remove President Bignone and assume what amounts to dictatorial powers.

10. There probably is at least an even chance that a move by Nicolaides to assume direct power himself would be interpreted by the opposition as a decision to suppress rapidly growing demands for immediate changes, and that this would precipitate a serious challenge to the regime that could be defeated only by a massive use of force.

  
H. C. Cochran  
Special Assistant for Warning

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NIO/W Contribution to DCI Watch CommitteeChina-Vietnam

--Conflicting claims to Gulf of Tonkin waters and islands may lead to clashes between Vietnamese and Chinese naval vessels. The Chinese recently deployed three frigates into the northern half of the Gulf to enforce their rejection of Hanoi's 12 November claim to all waters west of the 108th meridian as internal waters.

--In addition to conflicting claims to the Xisha and other islands, Beijing recently offered oil concessions to Western firms in waters claimed by Vietnam.

--Despite the Soviets' assurances to Hanoi that they will make no concessions to China at Vietnam's expense, the Vietnamese probably are increasingly concerned about the possible implications of the ongoing Sino-Soviet dialogue. Their 12 November claim to 48,000 more square nautical miles of internal waters in the Gulf came only a few weeks after the Chinese proposed to the Soviets a five-phase plan for the withdrawal of Vietnamese troops from Kampuchea. Despite reports that the Soviets refused to reduce their support for Vietnamese policy in Kampuchea, the Vietnamese may deliberately provoke a confrontation with China in the Gulf as a means of obliging the Soviets to renounce concessions to the Chinese on Kampuchea and perhaps even of disrupting the Sino-Soviet dialogue.

--Skirmishes between Vietnamese and Chinese vessels in the Gulf may also lead to increased incidents on the land border.

Argentina

--The general strike in all major cities against the military government on 6 December may lead to a showdown between labor and political leaders and the Army high command. Opposition leaders have called for a series of major protests this month aimed at accelerating the armed forces' withdrawal from power, now scheduled for March 1984.

--Labor and political leaders apparently calculate that mass demonstrations calling for an early return to civilian rule and economic reforms will forestall coup attempts by Army hard-liners.

--Escalating protest demonstrations will increase the chances that Army Commander Nicolaidis will remove the figure-head President Bignone and assume power himself. Nicolaidis may justify such a move on the ground that political and labor leaders last month rejected negotiations with the military over a "covenant" governing a return to civilian rule.

--The Army high command may believe that harsh suppressive measures are necessary to forestall public demands for an investigation of "disappeared" people during the military's crackdown in the mid-1970s.

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